CITY OF STATESVILLE

RIDER CG-2

CUSTOMER GENERATION CREDIT RIDER

GENERAL

Customer Generation Credit Rider (Rider CG-2) is offered by the City of Statesville (City) to a qualifying non-residential customer (Customer) with on-site generation (Customer Generation) that can be called upon by the City to reduce Customer's peak demand during the On-Peak Period of certain Peak Management Days, defined below. Such operation will enable City to reduce its wholesale power costs from North Carolina Municipal Power Agency No. 1 (NCMPA1). This rider enables the City to share a portion of the wholesale power cost savings with Customer by applying a Monthly Customer Generation Credit to Customer's electric bill, under the terms and conditions described below.

AVAILABILITY

Rider CG-2 is available only to a non-residential customer that meets all of the following criteria:

1. Customer is currently served under one of the following non-residential rate schedules with a monthly non-coincident peak billing demand: Schedules MG, LG, IM, CT, IT, and CI.
2. Customer has a monthly non-coincident peak demand of at least 150 kW during at least three months of a twelve month period; and
3. Customer has or will have on-site customer-owned generation of 150 kW or greater that will be available for operation when called upon by the City.

APPLICATION FOR RIDER

Customer must make an initial written application to City in order to begin receiving credits under Rider CG-2. In its application, Customer must supply the technical specifications of the Customer Generation as specified in Exhibit A, attached hereto. In determining whether to approve the application of Customer, City may consider the number of customers already being served under the rider, City's expected power cost savings under the NCMPA1 Wholesale Rate, changes in City loads, effects of other load management programs, and any other considerations deemed important by the City. City is under no obligation to approve applications for credits under Rider CG-2.

TERM OF RIDER

The initial term of Rider CG-2 shall begin June 20, 2005 and end May 31, 2006. Commencing June 1, 2006, and annually thereafter, Rider CG-2 shall automatically renew for one (1) year increments, provided, however, that either the Customer or the City may terminate Rider CG-2 effective on or after June 1, 2006, by giving written notice to the other party at least sixty (60) days prior to any such termination date.

OPERATION OF CUSTOMER GENERATION

During the term of this Rider, the City shall have the exclusive right to call upon the Customer to operate the Customer Generation under the terms and conditions of this Rider.

City will notify Customer to operate the Customer Generation on certain Peak Management Days, defined as non-holiday weekdays during the months of June through September.
Peak Management Days exclude the Independence Day (July 4th) and Labor Day holidays. In the event that Independence Day falls on a Saturday, the preceding Friday shall be deemed to be the Holiday. In the event that Independence Day falls on a Sunday, the following Monday shall be deemed to be the Holiday.

Upon notification by the City of a Peak Management Day, Customer will operate Customer Generation from 2:00 PM through 6:00 PM local time, defined as the On-Peak Period. Customer will operate Customer Generation at maximum available output, not to exceed the Generator Rating(s) set forth on Exhibit A attached hereto. The Customer shall not be required to operate the Customer Generation more than 200 hours per year.

NOTIFICATION PROCESS

Notification by the City to operate Customer Generation on a Peak Management Day will be provided to the Customer by direct telephone communications or automatic signal, as mutually agreed. The City will use diligent efforts to provide advance notice to the Customer of Peak Management Days. However, the City does not guarantee that advance notice will be provided. The Customer will indemnify and hold the City harmless against any and all claims that may be asserted against the City by third parties that arise from or are in any manner related to the Customer's response to a notification provided by the City hereunder.

COSTS OF CUSTOMER GENERATION

The Customer shall be responsible for all costs associated with owning, operating, maintaining, making capital additions to, and removing from service the Customer Generation, including, but not limited to, all costs of materials, fuel, fuel storage, manpower, spare parts, and equipment for the Customer Generation.

DETERMINATION OF PEAK DAY CUSTOMER GENERATION OUTPUT

Each month, City will identify the one Peak Management Day on which NCMPA1 experienced the highest average load during the On-Peak Period (i.e., the basis for demand charges to the City under the NCMPA1 Wholesale Rate). The Peak Day Customer Generation Output shall be the average of the integrated clock hour kW outputs of the Customer Generation metered during the hours of the On-Peak period for the identified Peak Management Day. Peak Day Customer Generation Output shall be net of output used by auxiliaries of Customer Generation. Peak Day Customer Generation Output will be determined only for the months of June through September.

DETERMINATION OF CUSTOMER ON-PEAK DEMAND

Each month, City will also determine the Customer On-Peak Demand. The Customer On-Peak Demand shall be the average of the integrated clock hour kW demands measured during the hours of the On-Peak Period for the identified Peak Management Day described above. Customer On-Peak Demand will be determined only for the months of June through September.

DETERMINATION OF MONTHLY CUSTOMER GENERATION CREDIT

The Monthly Customer Generation Credit shall be computed and applied to the Customer's monthly electric bill for the months of June through September only. The Monthly Customer Generation Credit shall be computed as follows:

Monthly Customer Generation Credit ($) = (a) * (b). Where,

(a) is the lesser of:

(i) Customer Generation Output (kW); or,

(ii) Customer On-Peak Demand (kW); and,

(b) is the Customer Generation Credit Rate ($/kW-month)

MONTHLY CUSTOMER GENERATION CREDIT RATE

June through September	$11.27/kW-month

City may revise the Customer Generation Credit Rate that will be applicable for the one-year term beginning on June 1, 2006, and for any subsequent one-year terms to reflect changes in City's demand charges under the NCMPA1 Wholesale Rate.

PROTECTION OF SYSTEMS

The Customer shall provide, install, maintain, and operate protective equipment, switching, voltage control, load shedding, and other facilities necessitated by the Customer Generation and take or refrain from taking action related to the Customer Generation as shall be required in order to meet the City's reasonable requirements to assure continuity and adequacy of service, stability of the interconnected facilities of City's distribution facilities, and safety procedures. Customer shall comply with any facility connection requirements or operation procedures specified by the City.

RESPONSIBILITY FOR METERING OF CUSTOMER GENERATION OUTPUT

City will install, or cause to be installed, and own the metering and associated metering equipment, communication equipment, and/or telemetry equipment required for measuring the kW output of the Customer Generation. Customer will pay an up-front fee to cover the costs related to the purchase, installation, ownership, operation, maintenance, or leasing of such equipment. The metering, communications, and telemetry equipment shall meet functional specifications required by City. Customer will provide City a schematic for all existing facilities connected to the Customer Generation and of the Customer Generation itself. City will cooperate with Customer to revise the schematic for the planned initial connection of the metering, communications, and telemetry equipment and for all modifications planned subsequently.

Customer shall provide City with access to the metering, communications, and telemetry equipment for the Customer generation as requested by City.

Where appropriate to obtain meter readings, Customer shall have the right to install, maintain, and use similar duplicative metering, communication, and telemetry as check meters.

Upon request of Customer, City shall provide Customer with copies of hourly data for the kW output levels of the Customer Generation and, upon reasonable prior notice of Customer, City shall provide Customer with copies of any other data, information or reports that City acquires from or produces by the metering equipment or the check metering equipment.

In the event the metering equipment is inoperative due to equipment failure, the performance of necessary maintenance, or otherwise, readings from check metering equipment, if available, shall be used, provided such check metering is functioning properly. In the absence of meter data and data from station operating logs, City shall estimate the required data in the manner it deems reasonable.

City and Customer shall coordinate the maintenance of metering, communication, and telemetry equipment and shall endeavor to minimize adverse effects of such maintenance on the operation of Customer Generation and on the accounting for output of Customer Generation.

ADOPTED

The rider was established by City of Statesville Resolution Number 13-05, which was adopted on June 20, 2005. This rider was amended by ordinance No. 30-15 on December 7, 2015 and is effective July 1, 2016.

EXHIBIT A

DESCRIPTION OF CUSTOMER GENERATION

CUSTOMER NAME: _____

FACILITY NAME _____

FACILITY CONTACT PERSON: _____

FACILITY LOCATION: _____

TYPE OF GENERATOR: _____

NUMBER OF UNITS _____

GENERATOR(S) RATING (kW) _____

GENERATOR MANUFACTURER: _____

GENERATOR VOLTAGE: _____

INSTALLATION DATE: _____